



Department of Justice

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JAPANESE CHEMICAL GIANT TO PAY \$20 MILLION FINE
Penalties from International Conspiracy Cases
Top \$250 Million Mark in One Year

Fujisawa Pharmaceutical Co., Ltd., a Japanese corporation, has agreed to plead guilty and pay a fine of \$20 million for participating in an international conspiracy to fix prices and allocate markets worldwide for an industrial cleaner called sodium gluconate. One of the company's executives, a Japanese citizen, has also agreed to plead guilty in the deal.

Today's case, filed in U.S. District Court in San Francisco, is the fifth filed in the sodium gluconate industry, and is the latest in a string of international conspiracy cases filed by the Department's Antitrust Division over the past year. These suits have resulted in fines of over \$250 million.

"Today's case demonstrates the Division's resolve to protect American consumers from foreign cartels," said Joel I. Klein, Assistant Attorney General in charge of the Department's Antitrust Division.

Sodium gluconate is used to clean metal and glass, with applications such as bottle washing, food service and utensil cleaning, food process equipment cleaning, and paint removal. It is a \$50 million a year industry worldwide.

The felony case charges that Fujisawa executives agreed with the world's other major sodium gluconate-producing firms to suppress and eliminate competition in the sodium gluconate market from August of 1993 until June of 1995.

Akira Nakao, the Associate Executive Director of Fujisawa's Chemicals Division, has also agreed to plead guilty and pay a \$200,000 criminal fine for his role in the international sodium gluconate conspiracy. Mr. Nakao is a Japanese citizen.

The Department charged that Nakao met with his co-conspirators to set the prices of sodium gluconate and allocate the share of the sodium gluconate market that each participating firm could have.

"Today's fines demonstrate that the Division places a high priority on prosecuting international antitrust crimes that harm U.S. markets," said Gary R. Spratling, the Antitrust Division's Deputy Assistant Attorney General for Criminal Enforcement. The single-count felony information charges that Fujisawa and Nakao:

- Agreed to set sodium gluconate prices at certain levels and to increase prices to the agreed-upon levels.
- Agreed to allocate among the corporate conspirators the market shares of sodium gluconate that each participating firm could sell.
- Issued price announcements and price quotations in accordance with the agreements.
- Participated in meetings and conversations for the purpose of monitoring and enforcing adherence to the agreed-upon prices and market shares.

As part of their plea agreements, which must be accepted by the court, Fujisawa and Mr. Nakao have agreed to cooperate in the ongoing investigation. The pleading parties have authorized the government to disclose the basic terms of the plea agreements.

The case against Fujisawa is the fifth filed by the Justice Department in its ongoing investigation in the sodium gluconate industry. In September, 1997, the Antitrust Division filed cases against two Dutch companies jointly, Azko Nobel Chemicals BV and Glucona BV, and two executives of those companies, Cornelis R. Nederveen and Marcel L. van Eekhout, charging them with conspiring to fix prices on sodium gluconate. The companies were fined a total of \$10 million, and the executives each received a fine of \$100,000. Three months later, similar charges were jointly filed against a French chemical company, Roquette Freres, and one of its executives, Bertrand Dufour. That case resulted in a \$2.5 million fine against the company and a \$50,000 fine against the executive.

Today's cases are the result of an investigation conducted by both the Federal Bureau of Investigation in San Francisco and the San Francisco Field Office of the Antitrust Division.

Both of the defendants are charged with violating Section 1 of the Sherman Antitrust Act, which carries a maximum fine of \$10 million for corporations and a maximum penalty of three years imprisonment and a \$350,000 fine for individuals. The maximum fine for both corporations and individuals may be increased to twice the gain derived from the crime or twice the loss suffered by the victims of the crime, if either of those amounts is greater than the statutory maximum fine.

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